



**GREYHOUND LEASING &  
FINANCIAL CORPORATION**

Greyhound Tower  
Phoenix, Arizona 85077  
602 248-4900

June 24, 1980

VIA REGISTERED MAIL

Ms. Mildred Lee  
Interstate Commerce Commission  
12th & Constitution Avenue N.W.  
Room 2303  
Washington, D.C. 20423

RECORDATION NO. 10588-A Filed 1425

JUL 1 1980 - 10 55 AM

INTERSTATE COMMERCE COMMISSION

0-183A053

JUL 1 1980

Date

Fee \$ 10.00

CC Washington, D.C.

Dear Ms. Lee:

I enclose two counterparts of the instrument described in paragraph (1) hereof, for recordation and return, together with one original counterpart for the Commission's files.

In accordance with 49 CFR Part 116, covering the recordation of documents, I advise you as follows:

- (1) The enclosed document is an Assignment and Agreement dated as of March 7, 1980, between Railtex, Inc., a Texas corporation, 4901 Broadway, San Antonio, Texas 78209, as Assignor, and Greyhound Leasing & Financial Corporation, Greyhound Tower, Phoenix, Arizona 85077, as Assignee.
- (2) The Assignment and Agreement is executed for the purpose of assigning all and every estate, property, right, title, interest and demand, which Railtex, Inc. has under a Railroad Car Lease Agreement dated April 20, 1979 by and between Railtex, Inc., as Lessor, and Granite Rock Company, a California corporation, as Lessee, a copy of which was filed and recorded in your office on July 3, 1979 at 3:30 p.m. and was assigned Recordation No. 10588 covering:

Twenty (20) Rapid Discharge TM Self-Cleaning Bottom Dump Rail Cars manufactured by Ortnier Freight Car Company, Model No. OC-3025 (100 Ton) Specification No. EX-279 having Road Numbers TRAX 1020 through 1039 inclusive, AAR designation HTS/K340.

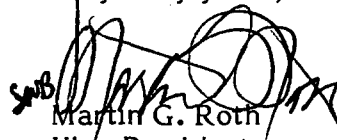
- (3) The Assignment and Agreement was executed pursuant to the terms of the Equipment Lease Agreement dated July 10, 1978, a copy of which was filed and recorded in your office on December 20, 1978 at 8:50 a.m. and was assigned Recordation No. 9928 and a Conditional Sale and Security Agreement dated January 9, 1979, a copy of which was filed and recorded in your office on May 1, 1979, at 1:30 p.m., and was assigned Recordation No. 10328 and 10328A.

RECEIVED  
JUN 31 10 52 AM '80  
FEE OPERA  
I.C.C. BR.

- (4) After recordation, the original document should be returned to Greyhound Leasing & Financial Corporation, Greyhound Tower, Phoenix, Arizona 85077, Attention Martin G. Roth, Vice President - Operations.
- (5) The recordation fee of \$10.00 is enclosed.

Please acknowledge receipt on the enclosed copy of this letter.

Very truly yours,

  
Martin G. Roth  
Vice President

Enclosures

**Interstate Commerce Commission**  
Washington, D.C. 20423

7/15/80

OFFICE OF THE SECRETARY

**Martin G. Roth**  
Vice President  
Greyhound Leasing & Financial Corp.  
Greyhound Tower  
Phoenix, Arizona 85077

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on **7/1/80** at **10:55am**, and assigned recordation number(s). **10588-A & 10328-B**

Sincerely yours,

*Agatha L. Mergenovich*  
Agatha L. Mergenovich  
Secretary

Enclosure(s)

SE-30  
(7/79)

RECORDATION NO. 10588-A Filed 1425

JUL 1 1980 -10 53 AM

INTERSTATE COMMERCE COMMISSION

State of Arizona )  
County of Maricopa ) ss.:

BE IT REMEMBERED, that I, LINDA L. BALLARD, the undersigned officer, a notary public duly qualified, commissioned, sworn and acting in and for said County in said State, hereby certify:

I have examined the attached copy of the Assignment and Agreement and compared it to the original, and said copy is a true and correct copy in all respects including the dates, signatures and acknowledgement.

Linda L. Ballard  
Notary Public

My Commission expires:

My Commission Expires Nov 14, 1983

**ASSIGNMENT AND AGREEMENT**

(Lease)

THIS ASSIGNMENT AND AGREEMENT ("Assignment") entered into as of this 7th day of March, 1980, between RAILTEX, INC., ("Assignor") and GREYHOUND LEASING & FINANCIAL CORPORATION ("Assignee"), a Delaware corporation having its principal place of business in Phoenix, Arizona.

**W I T N E S S E T H:**

WHEREAS, Assignor, as lessee, and Assignee, as lessor, did enter into a certain Equipment Lease Agreement (herein called "Lease Agreement") dated July 10, 1978 providing for the leasing of all the equipment described in said Lease Agreement by Assignee to Assignor; and

WHEREAS, Assignor, as purchaser, and Assignee, as seller, did enter into a certain Conditional Sale and Security Agreement (herein called "Sale Agreement"), dated January 9, 1979, providing for the sale of all of the equipment described in said Agreement by Assignee to Assignor; and

WHEREAS, paragraph 14 of the Lease Agreement and paragraph 18(a) of the Sale Agreement explicitly provides that Assignor under said Agreements shall not sublet or let the equipment that is the subject of the Lease Agreement and Sale Agreement, without first securing the prior written consent of Assignee (said Lease Agreement and Sale Agreement are hereinafter collectively called the "Agreements"); and

WHEREAS, Assignor has entered into a Rail Road Car Lease Agreement ("Lease") with GRANITE ROCK COMPANY, a California corporation, ("Lessee") for equipment described and listed on Exhibit "A", attached hereto and by reference made a part hereof (hereinafter called the "Equipment"), which Equipment is the subject of the Agreements; and

WHEREAS, Assignee is willing to consent to the aforementioned Lease if, and only if, (1) Assignor will continue to remain responsible and liable under the Agreements for the full and complete performance of all of Assignor's obligations thereunder and (2) Assignor assigns to Assignee its interest in the Lease and all the payments due thereunder;

NOW, THEREFORE, Assignor and Assignee hereby mutually covenant and agree as follows:

1. Assignor does hereby grant, sell, transfer and assign to Assignee all of the right, title and interest of Assignor in and to the Lease, a copy of which is attached hereto as Exhibit "B" and made a part hereof and all rental, payments, income and profits now due and which may hereafter become due to Assignor by virtue of said Lease and Assignor hereto irrevocably appoints Assignee, Assignor's true and lawful attorney in its name and stead (with or without taking possession of the Equipment), to enforce said Lease and to collect all of said rentals, payments, income and profits.

2. This Assignment is for the purpose of securing:

- (a) Payment in full of all sums together with interest thereon becoming due and payable to Assignee under the provisions of the Agreements or hereof; and
- (b) Performance and discharge of each and every obligation, covenant, condition and agreement of Assignor contained herein and in said Agreements.

3. Assignor represents and warrants to Assignee that:

(a) Notwithstanding this Assignment, and the exercise by Assignee of any rights assigned hereunder, Assignor will nevertheless, at all times for the duration of the Agreements: (i) remain fully obligated and liable under the Agreements and faithfully abide by, perform and discharge each and every obligation, covenant, condition and agreement to be performed by Assignor as the original party to the Agreements at the sole cost and expense of Assignor; and (ii) use reasonable diligence to enforce or secure the performance of each and every obligation, covenant, condition, and agreement of the Lease to be performed by Assignor as the original party to the Lease at the sole cost and expense of Assignor, and (iii) use reasonable diligence to enforce or secure the performance of each and every obligation, covenant, condition and agreement of the Lease to be performed by Lessee at the sole cost and expense of Assignor.

(b) No payment under the Lease has been or will be forgiven, released, reduced or discounted, or otherwise discharged or compromised by Assignor.

(c) Assignor is as of this date entitled to receive said rentals, payments, income and profits and to enjoy all the other rights and benefits mentioned herein and the same have not been heretofore nor will be hereinafter granted, sold, transferred or assigned by Assignor and Assignor has the right to grant, sell, transfer and assign the same and to grant and confer upon Assignee the rights, interest, powers and/or authority herein granted and conferred.

(d) Assignor will not modify, alter or amend the Lease without the written consent of Assignee thereto being first obtained.

(e) (i) Assignor has the full power and legal right to make this Assignment and all corporate proceedings necessary to authorize this Assignment have been taken; (ii) the Lease is in full force and effect and Assignor and/or Lessee is not in default thereunder; (iii) the Agreements are in full force and effect and Assignor is not in default thereunder; (iv) the Lease is and will continue to be valid, binding and enforceable against Assignor and Lessee in accordance with its terms; (v) the Agreements are and will continue to be valid, binding and enforceable against Assignor in accordance with their terms; and (vi) Lessee has acknowledged this Assignment, by the execution of the Acknowledgement, attached hereto as Exhibit "C" and made a part hereof.

(f) Assignor will execute and deliver, immediately upon the request of Assignee, all such further assurances of assignment of the Lease as Assignee shall from time to time require, and will pay all recording and filing fees or other charges that may be incident to or may arise out of the recording of the same or of this Assignment. Assignor will execute upon request any and all instruments requested by Assignee to carry this Assignment into effect or to accomplish any other purposes deemed by Assignee to be necessary or appropriate in connection with this Assignment and for these purposes hereby confers on Assignee the power to execute in Assignor's name and stead all such instruments.

4. Although it is the intention of the parties that this Assignment shall be a present assignment, it is expressly understood and agreed, anything therein to the contrary notwithstanding, that Assignee will not exercise any of the rights and powers conferred upon it herein until and unless a default shall occur in the payment when due of any sums under either of the Agreements, or if a default in the performance of any obligation, covenant, condition or agreement shall occur hereunder, or under either of the Agreements, and so long as no such default occurs, Assignor shall have the right to collect, but not in advance of their due date, all the rentals, payments, income and profits due under the Lease and to retain, use and enjoy the same.

5. In the event of a default in the payment when due of any sums under either of the Agreements or the occurrence of a default in the performance of any obligation, covenant, condition or agreement hereunder, or under either of the Agreements, not cured as provided herein and therein, Assignee may, at its option, (i) enforce any and all of Assignee's rights and remedies under the Agreements, and (ii) take such action it deems proper or necessary to enforce the payment of the rentals, payments income and profits under the Lease and in the furtherance thereof may make, cancel, enforce or modify the Lease, and do any acts or things which Assignee deems proper to protect the security hereof, and may in its own name or Assignor's name, sue for or otherwise collect and receive such rentals, payments, income and profits, including those past due and unpaid, and apply the same in accordance with the provisions of this Assignment.

6. Assignee in the exercise of the rights and powers conferred upon it by this Assignment shall have the full power to hold, use and apply all of the rentals, payments, income and profits under the Lease to the payment of or on account of any sums due under the Agreements secured hereby and any cost and expense of collection, including reasonable attorneys' fees, all in such order as Assignee in its sole discretion may determine. The collection of such rentals, payments, income and profits and the application thereof as aforesaid, shall not cure or waive any default or waive, modify or effect notice of default under the Agreements or invalidate any act done pursuant to such notice.

7. This Assignment shall not operate to increase Assignee's obligations or liabilities under the Agreements or decrease Assignee's rights and remedies under the Agreements. In the exercise of the powers herein granted Assignee, no liabilities shall be asserted or enforced against Assignee, all such liabilities being herein expressly waived and released by Assignor unless Assignee acts with gross negligence. Assignee shall not be responsible for any loss, liability or damage under the Lease, or under or by reason of this Assignment. Should Assignee incur any such liability, loss or damage under the Lease or under or by reason of this Assignment, or in the defense of any claims or demands whatsoever asserted against Assignee under the Lease or under or by reason of this Assignment, the amount thereof, including costs, expenses and attorneys' fees, shall be so much additional sums secured hereby, shall bear interest at the rate specified in the Agreements and Assignor agrees that it shall reimburse Assignee therefor immediately upon demand.

8. Lessee is hereby authorized to recognize the claims of Assignee hereunder without investigating the reason for any action taken by Assignee, or the validity of the amounts due and owing to Assignee, or the existence of any default in either of the Agreements or by reason of this Assignment, or the application to be made by Assignee of any amount to be paid to Assignee. The sole signature of Assignee shall be sufficient for the exercise of any rights under this Assignment. Checks for all or any part of the payments collected under this Assignment shall be drawn at Assignee's option to the exclusive order of Assignee.

9. It is understood and agreed that the provisions set forth in this Assignment herein shall be deemed a special remedy giving to Assignee and shall not be deemed exclusive of any other remedies granted in the Agreements, but shall be deemed an additional remedy and shall be cumulative with the remedies therein granted. Any right or remedy exercised hereunder by Assignee including, without limitation, the collection of the rentals, payments, income and profits and the application thereof as aforesaid shall not cure, modify or waive any default or any notice thereof under the Agreements or invalidate any act done pursuant to such notice. No delay or failure of Assignee to exercise any right or remedy hereunder or under the Agreements, or under the Lease, shall be deemed to be a waiver of such right or remedy and the single or partial exercise by Assignee of any right or remedy hereunder or under the Agreements or under the Lease shall not preclude other or further exercise thereof or the exercise of any other right or remedy at any time.

10. Any default by Assignor in the performance of any obligation, covenant, condition or agreement herein contained shall at Assignee's option, constitute and be deemed an Event of Default under the terms of the Agreements entitling Assignee to every and all rights and remedies contained therein.

11. This Assignment and each and every covenant, agreement and other provision hereof shall be binding upon Assignor and its successors and assigns and shall inure to the benefit of Assignee and its successors and assigns.

12. This Assignment and all assignments herein contained shall continue in full force and effect until the payment in full of all sums due under the provisions of the Agreements to Assignee and the performance and discharge of each and every obligation, covenant, condition and agreement of Assignor under the Agreements.

13. The unenforceability, illegality or invalidity of any provision hereof shall not render any other provision or provisions herein contained unenforceable, illegal or invalid and this Assignment shall be construed as if such unenforceable, illegal or invalid provision has never been contained herein.

14. Concurrently with the execution of this Assignment, Assignor will deliver to Assignee an opinion of its independent legal counsel substantially in the form attached hereto as Exhibit D and made a part hereof.

15. All notices hereunder shall be in writing and shall be deemed to have been duly given if sent by certified or registered mail, postage prepaid, to the following addresses:

If to Assignor:

RAILTEX, INC.  
~~300 Elizabeth Road~~ 4901 BROADWAY, SUITE 231  
San Antonio, Texas 78209  
Attention: President

*JMA*

If to Assignee:

GREYHOUND LEASING & FINANCIAL CORPORATION  
Greyhound Tower  
Phoenix, Arizona 85077  
Attention: Vice President - Operations



16. This Assignment shall be construed and enforced in accordance with the Uniform Commercial Code in effect from time to time in the State of Texas.

17. Assignee hereby accepts this Assignment and consents to the Lease PROVIDED THAT Assignor remains fully responsible and liable for the full, complete and faithful performance of all of the terms, conditions and covenants in the Agreements and in the Lease, and on the understanding that no (i) further sublease or lease of the Equipment or (ii) assignment of Assignor's interest in the Agreements, may be made without Assignee's written consent.

IN WITNESS WHEREOF, the parties hereto have caused this Assignment to be executed in their names as of the day and year first above written.

RAILTEX, INC.,  
"Assignor"

GREYHOUND LEASING & FINANCIAL  
CORPORATION, "Assignee"

By Bruce M. Felt  
Its: PRESIDENT

By [Signature]  
Vice President

By Janet Lennie Folmer  
Its: Secretary

By [Signature]  
Assistant Secretary

## EXHIBIT "A"

Twenty (20) Rapid Discharge TM Self Cleaning Bottom Dump Rail Cars manufactured by Ortner Freight Car Company, Model No. OC-3025 (100-Ton), Specification No. EX-279, having Road Numbers TRAX 1020 through 1039 inclusive.

(a) The cars will be used and operated at all times in compliance with all lawful acts, rules, regulations and orders issued by the railroads on which the cars are operated, and government agencies.

(b) At the expiration or termination of the rental term of the particular Rider applicable to each such car described in such Rider, LESSEE at its expense shall cause said cars to be returned to LESSOR at San Antonio, Texas, or to such other point designated by LESSOR but at no cost to LESSEE greater than the charge for return to San Antonio, Texas.

(c) The cars shall be returned to LESSOR in the same, or as good, condition in which they were delivered to LESSEE except for ordinary wear and tear.

(d) The cars will not be altered by LESSEE in any way without prior written approval of LESSOR.

(e) Mechanical unloading assistance devices, such as a car shaker, shall be operated only for that period of time necessary to dislodge material from the car. Operation beyond the time the material is dislodged from the car

JUL 3 1979 - 3:00 PM

INTERSTATE COMMERCE COMMISSION

RAILROAD CAR LEASE AGREEMENT

THIS AGREEMENT, No. GR-01, made and entered into April 20, 1979, by and between RAILTEX, INC., a Texas corporation with its principal office and place of business in San Antonio, Texas, (herein called "LESSOR") and GRANITE ROCK COMPANY, a California corporation, (herein called "LESSEE").

## WITNESSETH:

Description  
of Leased  
Cars:

1. LESSOR agrees to furnish to LESSEE, and LESSEE agrees to rent from LESSOR, the railroad cars shown on the Rider attached hereto and made a part hereof, and such additional Riders as may be added hereto from time to time by agreement of the parties and signed by their duly authorized representatives. Each Rider shall set forth a brief description of the car, or cars, covered thereby including such facts as: number of cars, car initials and numbers, the Association of American Railroads ("AAR") or Interstate Commerce Commission ("ICC") specifications, cubic capacity, truck capacity, delivery point, rental, term throughout which the cars shall remain in LESSEE's service, and other pertinent information that may be desired by both parties.

Use of  
Cars:

2. LESSEE agrees to use said cars under the following restrictions:

shall constitute unnecessary abuse by LESSEE of the car.

(f) LESSEE shall notify LESSOR in writing within five (5) days of each change in routing, origin or destination of the car so as to permit LESSOR to monitor individual car movements. This requirement is not to be construed as limiting in any way movements of the cars other than as set forth in paragraphs 2(a) and 2(h) hereof.

(g) The cars are intended for use in carrying aggregate type products, with individual rock segments not to exceed twelve (12) inches in cross section. The use of these cars for any other purpose is not permitted without prior written approval of LESSOR.

(h) The cars will be operated only within the United States of America.

Rent:

3. LESSEE agrees to pay LESSOR the monthly rental stated in the Rider covering said cars from the date each car is delivered as specified in the Rider, and until the cars are delivered to LESSOR upon expiration of the rental term specified in the Rider applicable to such car. Such rentals shall be paid to LESSOR in San Antonio, Texas, or

such other place as LESSOR may hereafter direct in writing. Payment will be made in advance on the first day of every month during the term, except that LESSEE shall pay in advance, on delivery of the cars, the pro rata of one month's rent for the period intervening between the date of delivery and the first day of the next succeeding month.

Mileage:

4. LESSOR shall collect all mileage earned by the cars and shall credit monthly to the rental account of LESSEE such mileage earned by the cars while in the service of LESSEE, as and when received from the railroads according and subject to all rules of the tariffs of the railroads, but only to the extent of the aggregate rental charges payable hereunder. The mileage refund will be at 3.75 cents per mile.

Term of  
Lease:

5. This Agreement shall be effective as of the date first set forth hereinabove and shall expire upon expiration of the rental term of the last car, or cars, covered hereunder. The rental term for each car shall be as shown in the Rider covering such car.

Repair and  
Maintenance:

6. LESSOR agrees to pay all costs of maintenance and repair to the cars described in the Rider, except for repairs required due to acts

or omissions of LESSEE, shipper, consignee, agent or sublessee, or as otherwise provided below in this paragraph. LESSOR shall make all contractual arrangements for all repairs, notwithstanding who is responsible for the costs thereof. LESSEE shall notify LESSOR within three (3) full business days following knowledge of any damage to any of the cars. When cars are in a "BAD ORDER STATUS" for maintenance and/or repair, the rental charges on each car shall be suspended during the period they are in such status. If any repairs are required as a result of the acts or omissions of LESSEE, its consignee, shipper, agent or sublessee or while on a railroad that does not subscribe to, or fails to meet its responsibility under, the Interchange Rules of the AAR, or while on any private siding or track or any private or industrial railroad, the rental charge shall continue during the rental period, and LESSEE agrees to pay LESSOR for the cost of such repairs, including transportation costs. LESSEE agrees that if by reason of such acts or omissions or while on a railroad that does not subscribe to, or fails to meet its responsibility under, the Interchange Rules of the AAR or on any private siding or track

or any private or industrial railroad, any car is completely destroyed or in the opinion of LESSOR such car's physical condition is such that it cannot be economically repaired to be operated in railroad service, LESSEE will pay LESSOR in cash the replacement value of such car within ten (10) days following a request by LESSOR for such payment. The term "replacement value" as used herein shall mean the valuation of such cars as provided for in the Interchange Rules of the AAR. In all events, LESSOR shall retain ownership of the car. If any of the cars shall be completely destroyed, or if the physical condition of any car shall become such that such car cannot economically be repaired to be operated in railroad service as determined by LESSOR then LESSOR at its option may cancel the lease as to such car as of the date on which such event occurred, or may substitute another car within a reasonable period of time, and in the event of such substitution, the substituted car shall be held pursuant to all the terms and conditions of this Agreement. LESSOR has the right to withdraw cars from service for the purpose of making nonsafety related repairs upon five (5) days' written notice to LESSEE. LESSOR shall have



the right to substitute an equivalent car therefor. When damaged cars have been forwarded to a shop for repair, the excess mileage incurred by deviation from normal routing earned by such car to and from the shop shall be retained by LESSOR.

Indemnity:

7. LESSEE will indemnify LESSOR against any loss, damage, claim, expense (including attorney's fees and expenses of litigation) or injury imposed on, incurred by, or asserted against LESSOR arising, directly or indirectly, out of LESSEE's, its consignee's, agent's, shipper's, or any sublessee's use, lease, possession or operation of the cars occurring during the term of this Lease, or by the contents of such cars, however occurring, except any loss, liability, claim, damage or expense which is directly attributable to the fault or neglect of LESSOR, or for which a railroad or railroads have assumed full responsibility and satisfy such responsibility. All indemnities contained in this Agreement shall survive the termination hereof, however same shall occur.

Insurance:

8. LESSEE shall, at its own cost and expense, with respect to each car at all times maintain and furnish LESSOR with evidence of insurance against all risks assumed by LESSEE

under paragraph 7 hereof (including, without limitation, physical damage insurance and liability insurance) protecting LESSOR, in such companies, in such amounts, and with such endorsements as LESSOR shall from time to time request. LESSEE's obligation to maintain insurance with respect to each car shall commence on the delivery date of such car and shall continue until the lease term thereof terminates and, if such car is required hereunder to be returned to LESSOR, until such return. LESSEE shall cooperate and, to the extent possible, cause others to cooperate with LESSOR and all companies providing any insurance to LESSEE or LESSOR or both with respect to the cars.

Additional  
Charges by  
Railroad:

9. LESSEE agrees to use the cars, upon each railroad over which the cars shall move, in accordance with the then prevailing tariffs to which each such railroad shall be a party; and, if the operation or movements of any of the cars during the term hereof shall result in any charges being made against LESSOR by any such railroad, LESSEE shall pay LESSOR for such charges within the period prescribed by and at rates and under the conditions established by said then prevailing tariffs. LESSEE agrees to indemnify LESSOR

against same and shall be liable for any switching, demurrage, track storage or detention charge imposed on any of the cars during the term hereof.

Right of  
Entry:

10. LESSOR shall have the right to enter the property of LESSEE or its agent, at LESSOR's own cost, and at all reasonable times for the purpose of making car inspections and repairs.

Reports:

11. LESSOR shall collect and retain all data necessary for making mileage, per diem and "Bad Order Status" calculations. The railroad reports will serve as prima facie evidence of the facts reported therein.

Payment  
of Taxes:

12. During the term of this Agreement, LESSEE shall, in addition to the rentals specified, pay all sales, use, rental and excise taxes, personal property taxes, assessment and other governmental charges, whatsoever, whether payable by LESSOR or LESSEE, on or relating to the cars leased hereunder. LESSEE shall be under no obligation to pay any such tax so long as it is being contested in good faith and by appropriate administrative or legal proceedings and any expense incurred by LESSOR in which LESSEE concurs with respect to contesting the applicability of such sales tax, rental tax and use tax to this Agreement shall be for the account of LESSEE.

Liens:

13. LESSEE shall keep the cars free from any encumbrances or liens which may be a cloud upon or otherwise affect LESSOR's title.

Marking  
of Cars:

14. LESSEE shall keep all cars subject to this Lease free of any markings which might be interpreted as a claim of ownership, nor shall LESSEE change the identifying numbers.

Subleasing:

15. LESSEE will not sublease said cars or assign any of its rights hereunder, without written consent of LESSOR.

Remedies:

16. Upon the happening of any of the events of default as hereinafter defined, the LESSOR or its assignee may then, or at any time thereafter, take possession of the cars and any accessions thereto, wherever same may be found, and, at the election of the LESSOR or its assignee as the case may be, either:

(a) Declare the Agreement terminated, in which event all rights of the parties hereunder shall cease except only the obligation of LESSEE to pay accrued rentals and other charges to the date of retaking, or;

(b) Relet the cars as agent of LESSEE, apply the proceeds of such reletting first to the expenses that may be incurred in the retaking

and delivery of the cars to the new lessee, then to the payment of the rent and charges due under this Lease. LESSEE shall remain liable for any rents and charges remaining due after so applying the proceeds so realized, and LESSEE agrees to pay said deficit monthly as the same may accrue. LESSEE shall bear all costs involved in LESSOR retaking the cars, including transportation costs to San Antonio, Texas.

Default:

17. The happening of any of the following events shall be considered an "event of default":

(a) Nonpayment of LESSEE within thirty (30) days after the same becomes due of any installment of rental.

(b) Failure of LESSEE to comply with, or perform, any of the other terms and conditions of this Agreement within thirty (30) days after receipt of written notice from LESSOR demanding compliance therewith and performance thereof.

(c) The appointment of a receiver or trustee in bankruptcy for LESSEE or for any of its property and the failure by such receiver or trustee to adopt and assume and agree to

perform the obligations of LESSEE hereunder within thirty (30) days after such appointment.

Filing:

18. LESSOR intends to cause this Lease to be filed and recorded with the ICC in accordance with Section 20(c) of the Interstate Commerce Commission Act. LESSEE shall from time to time do and perform any other act, and execute, acknowledge, deliver, file, register and record any and all further instruments required by law, or requested by LESSOR, for the purpose of protecting its title and rights, or for the purpose of carrying out the intention of this Agreement, and LESSEE will promptly furnish to LESSOR certificates or other evidences of all such filing, registering and recording in form satisfactory to LESSOR. LESSOR shall promptly reimburse LESSEE for any out-of-pocket expenses it may so incur.

Inspection  
of Car:

19. Each of the cars shall be subject to LESSEE's inspection before delivery; and the acceptance thereof by LESSEE shall be conclusive evidence (i) of the fit and suitable condition of such car for the purpose of transporting any commodities then and thereafter loaded therein and (ii) that it is one of the cars described in the Riders.

Disclaimer of  
Warranties:

20. LESSOR LEASES THIS EQUIPMENT, AS IS, IN WHATEVER CONDITION IT MAY BE, WITHOUT ANY AGREEMENT, WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, EXPRESSLY DISCLAIMING ANY WARRANTY OR REPRESENTATION, EITHER EXPRESSED OR IMPLIED, AS TO: (a) THE FITNESS FOR ANY PARTICULAR PURPOSE OR MERCHANTABILITY OF ANY CARS INCLUDING BUT NOT LIMITED TO THEIR VALUE, CONDITION, DESIGN OR OPERATION, (b) THE DESIGN OR CONDITION OF, OR THE QUALITY OF THE MATERIAL, EQUIPMENT OR WORKMANSHIP IN, THE EQUIPMENT, OR (c) ANY OTHER MATTER WHATSOEVER, IT BEING AGREED THAT ALL SUCH RISKS, AS BETWEEN THE LESSOR AND THE LESSEE, ARE TO BE BORNE BY THE LESSEE.

Ownership  
of Cars:

21. Certain of the cars leased hereunder and identified on the Rider attached hereto may not be owned by LESSOR. In each such case, the car or cars so identified are owned by third persons who have appointed LESSOR to manage and supervise the operation of such cars, including the leasing thereof, pursuant to Management Agreements entered into by such owners and LESSOR. Notwithstanding the provisions of paragraph 20 hereof, LESSOR warrants and represents that it has the right to lease such cars and that the Management Agreements

granting such right are in full force and effect, neither LESSOR nor the respective owners of the cars are in default thereunder and the Management Agreements are valid, binding and enforceable against LESSOR and the respective owners of the cars in accordance with their terms.

Miscellaneous: 22. It is mutually agreed that the time of payment of rentals is of the essence of this Agreement and that this Agreement and any Rider now and hereafter entered into is subject and subordinate to any Lease Agreement from the owners of the cars subleased hereunder, Security Agreement or Conditional Sale Agreement on the cars heretofore or hereafter leased hereunder and to the rights of any Trustee under any Equipment Trust heretofore or hereafter established by LESSOR.

Notice: 23. All notices provided for herein, as well as all correspondence pertaining to this Agreement, shall be considered as properly given if given in writing and delivered personally or sent by registered or certified mail, return receipt requested. The respective addresses for notice shall be the addresses of the parties given in writing at the execution of this Agreement. Such addresses may be changed by either party giving written notice thereof to the other.



Governing  
Law:

24. The terms of this Agreement and all  
rights and obligations hereunder shall be governed  
by the laws of the State of Texas, in which state  
it has been executed and delivered.

IN WITNESS WHEREOF, the parties hereto have caused this  
instrument to be signed and sealed by their respective corporate  
officers and duly attested, as to the date first above written.

(Corporate Seal)

ATTEST:

Janet L. Flohr  
Secretary

RAILTEX, INC. (LESSOR)

By Bruce M. Abbe  
President

(Corporate Seal)

ATTEST:

Mary E. Woolpert  
Secretary

GRANITE ROCK COMPANY (LESSEE)

By Bruce E. Woolpert  
President

STATE OF TEXAS  
COUNTY OF BEXAR

§  
§  
§

BEFORE ME, the undersigned authority, on this day personally appeared Bruce M. Flohr, President of RailTex, Inc., a Texas corporation, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed same for the purposes and consideration therein expressed, in the capacity therein stated and as the act and deed of said company.

Given under my hand and seal of office, this 4 day of June, 1979.

Elsa A. Rodriguez  
Notary Public in and for  
Bexar County, Texas

My Commission Expires:

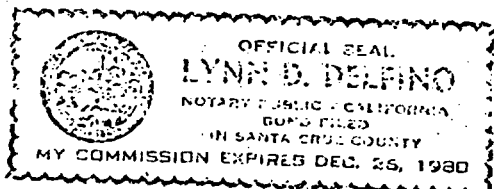
April 19, 1980

STATE OF CALIFORNIA  
COUNTY OF SANTA CRUZ

§  
§  
§

BEFORE ME, the undersigned authority, on this day personally appeared Bruce C. Woolpert, President of Granite Rock Co., known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed same for the purposes and consideration therein expressed, in the capacity therein stated and as the act and deed of said company.

Given under my hand and seal of office, this 4 day of June, 1979.



Lynn D. Delfino  
Notary Public in and for  
SANTA CRUZ County, CALIFORNIA

My Commission Expires:

December 26, 1980

Rider No. 01  
To Master Agreement No. GR-01

It is hereby agreed that, effective April 20, 1979, this Rider shall become a part of Master Car Agreement No. GR-01 between RailTex, Inc., and Granite Rock Company, dated April 20, 1979, and the cars described herein shall be placed in service subject to the terms set forth below:

CAR NUMBERS: 129 thru 134 inclusive  
200 thru 230 inclusive  
300 thru 303 inclusive

CAR MARKS: TRAX

CLASS OF CAR: HT/H250

NUMBER OF CARS: Forty-one (41) cars

CAPACITY OF CARS: Minimum: 2,567 cu. ft.  
Maximum: 2,730 cu. ft.

DELIVERY POINT: Logan, California  
(SP Station 32330)

DURATION OF LEASE: Rental Payments will be on date of car "Acceptance" and will continue until termination date.

TERMINATION DATE: Date between July 1, 1979 and October 1, 1979 with 30-day advanced notice of Termination Date given by Lessor or Lessee.

CERTIFICATION OF INSPECTION AND ACCEPTANCE: Exhibit "A" attached hereto and made a part hereof.

TERMS OF RENT: \$13.27 per day per car payable monthly in advance plus 4.2¢ per car mile, loaded or empty, with the existing private car mileage fee credited against the rental.

(SEAL)  
ATTEST:

Janet L. Flohr  
Secretary

RAILTEX, INC. (LESSOR)

By Bruce M. Flohr  
President

(SEAL)  
ATTEST:

Mary E. Woodport  
Secretary

GRANITE ROCK COMPANY (LESSEE)

By Bruce G. Woodport  
President

RAILTEX, INC.

Rider No. 02

To Master Agreement No. GR-01

It is hereby agreed that, effective January 25, 1980, this Rider shall become a part of Master Car Agreement No. GR-01 between RailTex, Inc. and Granite Rock Company, dated April 20, 1979, and the cars described herein shall be placed in service, subject to the terms set forth below:

CAR NUMBERS:	1020 thru 1039 inclusive
CAR MARKS:	TRAX
CLASS OF CARS:	HTS/K340
NUMBER OF CARS:	Twenty (20) cars
CAPACITY OF CARS:	2,300 cu. ft., 100 ton (nominal)
DELIVERY POINT:	Logan, California, (SP Station 32330)
DATE OF DELIVERY:	February, 1980.
TERM:	One (1) year from delivery date of last car.
CERTIFICATION OF INSPECTION AND ACCEPTANCE:	Exhibit "A" attached hereto and made a part hereof.
TERMS OF RENT:	\$635.00 per car, per month, from date of delivery acceptance, plus 4.2¢ per mile operated either loaded or empty.
"BAD ORDER" PAYMENTS SUSPENSION:	Payments of Lease will be suspended for each day in excess of five (5) that the car has continually been in "Bad Order" status, except payments will be immediately suspended if the car is "Bad Order" due to accident damage unless Lessee caused damage.
ESCALATION OF RATES:	For each 1% or fraction thereof increase in AAR rate for labor and car repair billing, the basic lease rate will increase by \$0.0004 per mile throughout the term of the lease.

(SEAL)  
ATTEST:

Mary E. Holport  
Secretary

GRANITE ROCK COMPANY (LESSEE)

By Bruce G. W. Colperst *BC*  
President

(SEAL)  
ATTEST:

Samuel Lemmie Flohr  
Secretary

RAILTEX, INC. (LESSOR)

By Samuel M. Flohr  
President

## EXHIBIT "D"

Greyhound Leasing & Financial Corporation  
Greyhound Tower  
Phoenix, Arizona 85077

Gentlemen:

We are counsel to Railtex, Inc., a Texas corporation ("Railtex"), and have acted as such since Railtex's incorporation. We have acted as counsel for Railtex in connection with the execution and delivery of an Assignment and Agreement ("Assignment") dated January 9, 1979, between Railtex, as Assignor, and Greyhound Leasing & Financial Corporation ("Greyhound"), as Assignee, wherein Railtex assigned to Greyhound a certain Lease between Railtex and Granite Rock Company, a California corporation ("Lessee").

In connection with the foregoing, we have examined originals, or copies certified to our satisfaction of all such corporation records and of all such agreements, certificates and other documents as we have deemed relevant and necessary as a basis for the opinion herein set forth. In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity to the original documents of all documents submitted to us as copies. As to any facts material to our opinion, we have, when relevant facts were not independently established, relied upon the aforesaid documents. We have made a diligent effort in determining all relevant factual and legal circumstances pertaining to this transaction and the opinions in this letter.

The opinion expressed below is subject to the qualifications that (i) the enforceability of the rights and remedies of the parties to the Assignment and the Lease is subject to the effect of any applicable bankruptcy, insolvency, reorganization or other laws affecting creditors' rights generally in the event of the bankruptcy or insolvency of any party or applicability to any party of such other laws affecting creditors' rights generally, and (ii) the opinion expressed below is limited to federal law and the laws of the State of Texas.

You should further take notice that one of the partners in this firm is general counsel for Railtex, is a director and officer thereof, and together with three other partners in this firm, is a shareholder of Railtex.

Based upon and subject to the foregoing and the qualifications and assumptions referred to above, we are of the opinion that:

1. To counsel's knowledge and belief, the Lease is in full force and effect, Railtex and Lessee are not in default thereunder, and the Lease is valid, binding and enforceable against Railtex and Lessee in accordance with its terms.

2. The execution and delivery of the Assignment by Railtex have been duly authorized and the Assignment is legal, valid, binding and enforceable against Railtex in accordance with its terms, except that no opinion is expressed with respect to the legality, validity, binding nature or enforceability of the provisions contained in the second sentence of paragraph 7 of the Assignment.

3. No consents, authorizations or approvals of third parties including governmental authorities are or will be required as a condition to the validity of the Assignment.

4. The execution, delivery and performance of the Assignment will not contravene any provision of law, statute, rule, regulation, mortgage, indenture, contract, lease, agreement, or other instrument or undertaking, order, decree, judgment, finding, franchise or permit known to counsel applicable to Railtex and to which Railtex is a party or by which it is bound.

Very truly yours,

ACKNOWLEDGMENT OF  
GREYHOUND LEASING & FINANCIAL CORPORATION

State of Arizona            )  
                                      ) ss.:  
County of Maricopa        )

BE IT REMEMBERED, that I, Linda L. Ballard, the undersigned officer, a notary public duly qualified, commissioned, sworn and acting in and for said County in said State, hereby certify:

This 7th day of March, A.D. 1980 personally came before me M. G. Roth, Vice President, and Steven W. Bienstock, Assistant Secretary, respectively, of GREYHOUND LEASING & FINANCIAL CORPORATION, and that the seal affixed to the foregoing instrument in writing is the corporate seal of said corporation and that said writing was signed and sealed by them in behalf of said corporation by its authority duly given. And the said M. G. Roth and Steven W. Bienstock acknowledged the said writing to be the act and deed of said corporation.

Linda L. Ballard  
Notary Public

My commission expires:

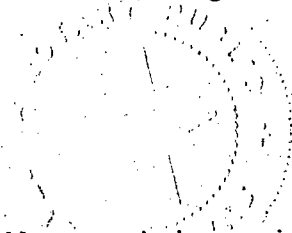
My Commission Expires Nov 14, 1983

ACKNOWLEDGMENT OF  
RAILTEX, INC.

State of TEXAS )  
 ) ss.:  
County of BEXAR )

BE IT REMEMBERED, that I, Anne M. Leonard, the undersigned officer, a notary public duly qualified, commissioned, sworn and acting in and for said County in said State, hereby certify:

This 17th day of June, A.D. 1980 personally came before me BRUCE M. FLOHR, President, and JANET LENNIE FLOHR, Secretary, respectively, of RAILTEX, INC., and that the seal affixed to the foregoing instrument in writing is the corporate seal of said corporation and that said writing was signed and sealed by them in behalf of said corporation by its authority duly given. And the said BRUCE M. FLOHR and JANET LENNIE FLOHR acknowledged the said writing to be the act and deed of said corporation.



Anne M. Leonard  
Notary Public

My commission expires:

May 5, 1984